VZCZCXYZ0000 PP RUEHWEB

DE RUEHMO #1002/01 0681523
ZNY SSSSS ZZH
P 091523Z MAR 07
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC PRIORITY 8096
INFO RHEHNSC/NSC WASHDC PRIORITY
RUEHUNV/USMISSION UNVIE VIENNA PRIORITY 0458
RUEKJCS/SECDEF WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0318
RUEHNO/USMISSION USNATO PRIORITY 6763

S E C R E T MOSCOW 001002

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/01/2017
TAGS: <u>IAEA KACT KNNP MNUC PARM PREL IR RS START</u>
SUBJECT: U/S JOSEPH-RUSSIAN DFM KISLYAK MEETING ON STRATEGIC SECURITY DIALOGUE: PART II

REF: A. STATE 003773

- ¶B. 06 STATE 201804
- ¶C. 06 STATE 165526
- 1D. STATE 007445
- ¶E. 06 STATE 028324
- ¶F. STATE 004837
- ¶G. MOSCOW 01001

Classified By: DCM Daniel A. Russell for reasons 1.4 (b/d).

This is part two of a two-part cable, reporting on the January 29 meeting of the U.S.-Russia Strategic Security Dialogue chaired by U/S Joseph and Russian DFM Kislyak. Part one is Ref G.

Australia Group / Shchuch'ye Chemical Weapons Destruction Facility

- 11. (SBU) DFM Kislyak asked whether U/S Joseph had anything new on the issue of the denial of Russia's membership in the Australia Group. U/S Joseph said he did not.
- 12. (SBU) DFM Kislyak used this occasion to complain that the U.S. Defense Threat Reduction Agency (DTRA) was requiring that contracts supporting the construction of the Chemical Weapons Destruction Facility at Shchuch'ye include a provision prohibiting the employment of Russian companies sanctioned under the Iran and Syria Nonproliferation Act. Even though Russia did not plan to employ at Shchuch'ye any of the companies on the U.S. sanctions list, DTRA still intended to include this provision in Shchuch'ye contracts. Russia objected in principle, since it did not accept the validity of U.S. sanctions imposed on Russian companies. Accepting such provisions would imply that Russia accepted the validity of the sanctions. DFM Kislyak asked U/S Joseph to work with Russia on the issue. U/S Joseph said he was unaware of the issue, but would respond.

Highly Enriched Uranium Seizure in Georgia

13. (C) DFM Kislyak complained that media reports in Georgia following the seizure of 100 grams of highly enriched uranium (HEU) there in 2006 had falsely alleged that Russia was the potential source of a flood of uncontrolled nuclear material. Such statements were unacceptable. A year prior to the reports Russia had provided the Government of Georgia a list

of questions regarding the seizure, but Russia never received a response. Russia had, in fact, dispatched a team of Russian specialists to the site in Georgia immediately following the seizure and had analyzed the samples. This issue had become politicized and Russia was dissatisfied with its outcome. He characterized the U.S. State Department's recent announcement as correct, but said leaks were being used for propaganda purposes.

14. (C) U/S Joseph explained there was concern this was only the first portion of a much larger diversion of HEU. The United States had worked bilaterally with Georgia on this issue, but the United States never intended to conduct this work without Russia's knowledge. This was a case where good reporters had uncovered an exciting story. Although the United States was sometimes concerned that Russia was withholding information, what was important was that the United States and Russia work together on nuclear forensics and under the Global Initiative. U/S Joseph underscored that the transfer of this HEU across the Russian-Georgian border showed that there was a problem.

International Science and Technology Center (ISTC)

15. (SBU) U/S Joseph stated that the ISTC was an important tool which could play a significant role in the global war on terrorism. He indicated that, due to U.S. budgetary pressures, the United States would like Russia to consider co-funding some of the ISTC's research projects and paying ISTC employee salaries as a partnership goal. The United States thought this was ripe for a partnership with a focus on joint research in counterterrorism and nonproliferation.

U/S Joseph suggested that DFM Kislyak's personal involvement would be helpful in ensuring such funding issues were addressed. U/S Joseph provided a paper summarizing U.S. views on the ISTC.

16. (SBU) DFM Kislyak agreed to have the Russia study the paper. He believed that the ISTC produced good scientific work, but that the center's mission needed to be reviewed on a comprehensive basis. The original mission had been to employ scientists, not to pursue specific initiatives. The center's legal basis needed to be changed to enable joint projects under existing Russian taxation laws. A strategic review of how best to use the center could easily be done.

Space Policy

- 17. (SBU) Space Talks in Paris. MFA Arms Control and Security Department Director Antonov reported that A/S DeSutter (State/VCI) and he had a productive meeting on space activities in Paris on January 25. During the meeting, General Buzhinskiy presented a briefing on Russia's space policy and A/S DeSutter provided the draft text of a Joint Presidential Statement on the free access to and use of space for peaceful purposes. Antonov considered the draft joint statement a good idea, but said it would require some adjustments. He questioned why the United States had not responded to Russia's October 19, 2005, non-paper titled "On the Development of a Russian-U.S. Dialogue on Military Space Activities" (Ref E), which included a proposal on CBMs and industry-to-industry cooperation. He suggested that each side raise questions on the other's space policy briefing and that they continue the space dialogue during the second half of 2007.
- 18. (SBU) U/S Joseph said the United States was pleased with the outcome of the space talks in Paris. He noted there were countries that did not share U.S. and Russian views about the free access to and use of space. He made clear that the U.S. dependence on the free use of space would continue to grow in support of the U.S. national security posture, and its foreign policy interests and economic security. He believed

the existing multilateral treaties relating to space were sufficient, in particular the 1967 Outer Space Treaty. He suggested that the United States and Russia could explore principles of peaceful uses of outer space.

- ¶9. (C) Chinese ASAT Test. U/S Joseph called attention to the January 11 ASAT test conducted by China, underscoring that the United States found it most disturbing. He noted that the space debris caused by the event posed a threat and represented a danger to manned space flight. The United States warned China (Ref F) that an ASAT capability was inconsistent with China's public statements on the prevention of an arms race in outer space. The United States asked China what its next steps would be, and hoped Russia would express similar concerns. The United States did not see arms control as the solution to this situation, nor did it think that the situation would prompt an arms race in space. However, it should be a wake up call for the United States and Russia.
- 110. (C) DFM Kislyak replied that Russia was not opposed to an arms control approach since it brought countries together. In view of the Chinese test, he recommended considering the draft agreement before the UN First Committee banning the weaponization of outer space. U/S Joseph asked what lessons Russia drew from arms control. He noted that, in the past, countries could not even agree on a definition of "weapons" as they related to space. He believed that the United States and Russia were vulnerable in space and that treaties engendered complacency. DFM Kislyak acknowledged that Russia had major resources in space. He asked how the United States planned to protect its space assets. He believed that a political instrument, such as a UN Security Council resolution, was the best means in the near term and was better than nothing.
- 111. (C) U/S Joseph asked whether Russia had approached the Chinese with Russia's concerns regarding the ASAT test. It appeared to the United States that Russia was unwilling to raise concerns about the test with China. DFM Kislyak replied that Russia had tried. It was told by China that the

event was an experiment and that China would work with Russia on preventing an arms race in space. Russia expected China would continue ASAT testing. U/S Joseph said that China might be able to deploy an ASAT capability soon. DFM Kislyak said Russia did not know. However, there was a need to improve the defensive posture of our space assets.

- $\underline{\ }$ 12. (S) DFM Kislyak asked whether the United States would respond in kind to the ASAT test. U/S Joseph said he did not think so. The United States did not have the capability, nor was it developing it. DFM Kislyak said Russia was developing a satellite capability that "would be a weapon of choice. He also said Russia was concerned that the United States had already developed dedicated satellite interceptors. If the United States put interceptors in space, it could place at risk huge numbers of Russia's military and technological capabilities, both ground- and space-based, even in peacetime. U/S Joseph noted that Russia had many capabilities to disable or destroy satellites. He recalled that Russia once expressed fear that the U.S. space shuttle was an ASAT capability, even though Russia had the same inherent capability for anti-satellite development. U/S Joseph summarized that both the United States and Russia were in a situation where their space assets were at risk. What had become clear to the United States was that there was a great deal of intent to stop the United States from using space to enhance its missile defense capabilities. That was inconsistent with allowing space to be used for ballistic missiles to attack another country.
- 113. (SBU) DFM Kislyak believed that the U.S. and Russian positions on the peaceful use of space were very close. U/S Joseph said the United States concurred on the peaceful use of space. DFM Kislyak urged that the United States consider Russia's October 19, 2005, non-paper. U/S Joseph said the United States would, along with the proposed joint statement

on the free access to and use of space for peaceful purposes.

India

- 114. (C) DFM Kislyak said there were a number of issues relating to the U.S.-India Agreement for Peaceful Nuclear Cooperation (Section 123 Agreement) that were unclear and required further work. Despite Russia's encouragement, India was not working with the IAEA on a safeguards agreement. This was significant since many other countries were watching. Russia was disturbed that India believed it would no longer have difficulties with the NSG now that it had an agreement with the United States. Russia would have more discussions with India and Russia stood ready to help. U/S Joseph said the United States made clear what the sequencing would be now that there was U.S. enabling legislation for civil nuclear cooperation with India. An IAEA-approved safeguards agreement was required first, followed by a positive NSG decision, and then Congressional approval of the Section 123 Agreement. DG ElBaradei did not think there would be a problem negotiating a safeguards agreement. U/S Joseph hoped an Additional Protocol would also be negotiated. He and DFM Kislyak agreed to work for a positive NSG outcome.
- 115. (C) Nuclear Testing. DFM Kislyak asked whether nuclear testing would be covered in the Section 123 Agreement. A/S Rood replied that, while some in India considered this a make or break issue, Prime Minister Singh had stated that allowing for nuclear testing in the agreement was unnecessary. Secretary Rice had made clear the agreement would be off if

SIPDIS

India tested a nuclear device. U/S Joseph said this had been made clear at every level. He added that each NSG member would need to make its own decision on what the NSG implications of an Indian nuclear test would be. The U.S. position on this issue was clear. DFM Kislyak did not think India planned to initiate nuclear testing anytime soon. However, should the United States resume testing, he believed that India would be punished, in effect, if it were not allowed to test without losing NSG cooperation. U/S Joseph disagreed, explaining that the United States and Russia were NWS under the NPT, while India was not.

116. (C) Sale of Russian Reactors. DFM Kislyak confirmed that Russia's sale of four reactors to India would be contingent upon the NSG revising its Guidelines. He also confirmed that two of the four reactors were not grandfathered under the

existing Guidelines. U/S Joseph said he felt more justified, therefore, in moving forward on the U.S.-India Section 123 Agreement.

Proliferation Finance

117. (C) DFM Kislyak informed U/S Joseph that, on January 10, President Putin had signed a counter-proliferation bill (No. 281-FZZ) into law. This provided legal authority to impose domestic financial measures and would guide the Russian government's proliferation finance efforts. U/S Joseph asked whether regulations would be published and provided to Russian financial institutions to instruct them on what measures to take. DFM Kislyak said a Presidential Decree would be issued with guidelines and regulations. According to Mr. Antonov, the Decree could be combined with an amendable annex of specific proscribed entities that would be the targets of law enforcement action. U/S Joseph urged that Russian financial institutions expeditiously implement this law and carefully scrutinize their financial transactions with the DPRK and Iran. The purpose here was to disrupt illicit activities. DFM Kislyak noted that Russia's measures would not necessarily match those of the United States.

118. (S) U/S Joseph reiterated that the United States sought assurances that the front end of the Iskander-E was permanently attached to the missile's motor. He called again for technical discussions on the issue. DFM Kislyak replied that the Iskander-E used a construction which precluded detachment of the nose section from the part of the missile containing the engine and guidance section. He questioned why discussions were needed. U/S Joseph asked whether the front section was bolted or welded. He said the United States was not asking for proprietary information. Mr. Antonov replied that the information that Russia had provided on this issue was the same as what the United States had provided in the case involving the transfer of Army Tactical Missile System (ATACMS) to Turkey in 1996. PDAS Elliott asked whether detachment of the front section would require specialized tools that the Libyans would not have. DFM Kislyak had no further information on how the front section was permanently attached, but he promised to follow up. Joseph said the biggest U.S. concern was to ensure that Russia did not transfer the missile to Iran or Syria. DFM Kislyak declined to make such a commitment.

119. (U) Meeting Participants.

U.S.:

U/S Robert Joseph, State/T
A/S John Rood, State/ISN
ASD(Acting) Joseph Benkert, OSD
PDAS Stephen Elliott, State/VCI
DASD Brian Green, OSD/Strategic Capabilities
William Tobey, DOE/NNSA
Jim Timbie, State/T
Tim Katsapis, State/T
David Dowley, NSC/Defense Policy and Strategy
Richard Trout, IC/WINPAC
Tim MacGregor, State/VCI
Charles Miller, OSD
Scott Roenicke, JCS/J-5

Russia:

DFM Sergey Kislyak, MFA
Igor Neverov, MFA/Department of North America
Anatoliy Antonov, MFA/DVBR
Oleg Burmistrov, MFA/DVBR
Oleg Rozhkov, MFA/DVBR
Sergey Koshelev, MFA/DVBR
Vladimir Venyevtsev, MFA/DVBR
Andrey Belyakov, MFA/DVBR
Andrey Belousov, MFA/DVBR
Andrey Belousov, MFA/DVBR
Andrey Belousov, MFA/DVBR
Andrey Belousov, MFA/Department of North America
Vladimir Kuchinov, Rosatom
Marina Belyayeva, Rosatom
Gen-Lt. Yevgeniy Buzhinskiy, MOD

 $\underline{\mathbb{1}}20.$ (U) U/S Joseph has cleared this message. RUSSELL